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Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 SCEM-02 SCI-06 INT-08 COME-00

SPC-03 AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20

STR-08 OMB-01 CEA-02 L-03 H-03 CIAE-00 DODE-00 INR-10

NSAE-00 PA-04 USIA-15 PRS-01 EPA-04 CEQ-02 IO-14

DOTE-00 HUD-02 PC-15 DRC-01 /189 W
---------- 058443
R 071830Z NOV 73
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 7675
INFO AMEMBASSY ASUNCION
AMEMBASSY BRASILIA
AMEMBASSY BOGOTA
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY GEORGETOWN
AMEMBASSY GUATEMALA
AMEMBASSY KINGSTON
AMEMBASSY LA PAZ
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY MONTEVIDEO
AMEMBASSY PANAMA
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTIAGO

AMEMBASSY SANTO DOMINGO
AMEMBASSY TEGUCIGALPA

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EO 11652: N/A

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TAGS: ENRG, XM
SUBJ: LATIN AMERICAN ENERGY MINSISTERS MEETING LIMA

REFS: CARACAS 9205, 9136

SUMMARY: REPRESENTATIVES OF TWENTY-TWO LATIN AND CARIBBEAN COUNTRIES MET IN LIMA OCTOBER 29 - NOVEMBER 2, AND AGREED ON CREATION OF NEW LATIN AMERICAN ENERGY ORGANIZATION (OLADE) -- ORGANIZACION LATINOAMERICANA DE ENERGIA -- WHOSE PRINCIPAL FUNCTIONS WILL BE TO PROTECT ALL LATIN AMERICAN ENERGY RESOURCES BY ESTABLISHING SCIENTIFIC, TECHNOLOGICAL, AND ECONOMIC COOPERATION AMONG SIGNATORY STATES. THE "CONVENIO DE LIMA", THE ACCORD SIGNED BY THE REPRESENTATIVES, ENVISIONS THE EVENTUAL CREATION OF A FINANCIAL ORGANIZATION TO ACT AS A CONTINENT-WIDE ENERGY DEVELOPMENT BANK. QUITO WAS CHOSEN AS SITE OF OLADE'S SECRETARIAT IN SPITE OF INITIAL PERUVIAN LOBBYING FOR LIMA. NOTWITHSTANDING SOME CRITICISM OF RECENT VENEZUELAN PETROLEUM PRICE INCREASES, THERE WAS GENERAL AGREEMENT AMONG LATINS FOR REACTIONOF COORDINATION ORGANIZATION LEAVING HARD DECISIONS ABOUT INDIVIDUAL COUNTRIES' COMMITMENTS TO BE IRONED OUT IN THE FUTURE. PRINCIPAL DIFFICULTUES APPARENTLY CAUSED BY ENGLISH SPEAKING CARIBBEAN COUNTRIES WHO RAISED LATIN HACKLES BY TIME-CONSUMING AND OFTEN IRRELEVENT QUESTIONS OF PARLIAMENTARY PROCEDURE. END OF SUMMARY

1. THE THIRD MEETING OF LATIN AMERICAN ENERGY AND PETROLEUM MINISTERS WAS HELD IN LIMA OCTOBER 29-NOVEMBER 2 AND WAS ATTNDED BY DELEGATIONS FROM TWENTY-TWO COUNTRIES (ALL INFO ADDRESSEE COUNTRIES PLUS CUBA) INCLUDING TEN DELEGATIONS HEADED BY RESPECTIVE ENERGY MINISTERS. PRINCIPAL AGENDA ITEM WAS THE CREATION OF LATIN AMERICAN ENERGY ORGANIZATION WHOSE PRINCIPAL GOAL WILL BE TO BE PROTECT ALL ENERGY RESOURCES OF MEMBER STATES BY ESTABLISHING CLOSER SCIENTIFIC, TECHNICAL, AND ECO-NOMIC COOPERATION.

2. PERUVIAN PRIME MINISTER GENERAL MERCADO JARRIN, PERU-
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VIAN MINISTER OF ENERGY AND MINES FERNANDEZ MALDONADO (ELECTED PRESIDENT OF THE MEETING) AND ECUADOREAN MINISTER OF NATURAL RESOURCES CAPTAIN JARRIN AMPUDIA SPOKE AT OPENING SEMINAR. ALL EMPHASIZED CONTINENTAL UNITY IN DEFENSE OF PETROLEUM AND OTHER ENERGY RESOURCE WEALTH.

3. AFTER TWO DAYS OF SUBSTANTIVE MEETINGS, ANDDAY OF SIGHTSEEING, THE MEETING ENDED NOV. 2 WITH SIGNING OF "CON-

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VENIO DE LIMA" FOR CREATION OF LATIN AMERICAN ENRGY ORGANIZATION. QUITO DESIGNATED AS OFFICIAL HEADQUARTERS SITE. CONVENTION STATES THAT OLADE'S MAIN OBJECTIVE AND FUNCTIONS ARE TO PROMOTE: UNITY AND ACTION FOR EXPLOITATION AND DEFENSE OF NATURAL RESOURCES OF MEMBER COUNTRIES; REGIONAL EXPLORATION, REFINING AND SALES POLICIES FOR ENERGY RESOURCES; DIRECT NEGOTIATIONS BETWEEN MEMBER STATES FOR SUFFICIENT ENERGY SUPPLIES; ENERGY PROJECTS OF COMMON INTEREST; MEASURES TO ASSURE FREE TRANSIT AND TRANSPORTATION OF ENERGY RESOURCES FOR LANDLOCKED COUNTRIES OF THE AREA; THE CREATION OF LATIN AMERICAN ENERGY MARKET WITH A PRICE POLICY ASSURING FAIR PRICES TO MEMBER STATES; AND THE ADOPTION OF ANTIPOLLUTION MEASURES.

4. INSTITUTIONAL STRUCTURE OF OLADE AS DEFINED BY LIMA CONVENTION INCLUDES FOUR SEPARATE ORGANIZATIONS: (A) PERIODIC MINISTERS MEETINGS; (B) AN EXPERTS' BOARD (JUNTA); (C) A PERMANENT SECRETARIAT; (D) SPECIAL BOARDS TO BE ESTABLISHED AT THE REQUEST OF THE MINISTERS. MINISTERS AND EXPERTS WILL MEET TWICE A YEAR IN ORDINARY SESSIONS AND HOLD EXTRAORDINARY MEETINGS AS REQUIRED. THE PERMANENT SECRETARIAT AS THE EXECUTIVE OFFICE OF OLADE WILL BE HEADED BY AN EXECUTIVE SECRETARY AND BE ASSISTED BY NECESSARY TECHNICAL AND ADMINISTRATIVE PERSONNEL.

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5. OLADE'S ORGANIZATION BASED ON PRINCIPAL OF EQUAL
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SOVEREIGNTY OF MEMBER STATES, AND ITS FINANCIAL RESOURCES
WILL BE RAISED BY YEARLY CONTRIBUTIONS AND EXTRA CONTRI-
BUTIONS APPROVED BY MINISTERS. AGREEMENT SUJECT TO
RATIFICATION PROCESS OF MEMBER STATES, AND RATIFICATION
DOCUMENTS TO BE DEPOSITED WITH ECUADOREAN MINISTER OF
FOREIGN RELATIONS. AGREEMENT WILL COME INTO OPERATION 30
DAYS AFTER 12TH RATIFICATION DOCUMENT DEPOSITED. OFFICIAL
LANGUAGES ARE SPANISH, ENGLISH, PROTUGUESE, AND FRENCH.

6. ALTHOUGH MOST RHETORIC RELATIVELY MILD AND CONFINED
TO EMPHASIZING NECESSITY FOR LATINS TO USE THEIR ENERGY
RESOURCES TO THEIR OWN BENEFIT, BOTH PERUVIAN PRIME MINISTER
MERCADO JARRIN AND MINISTER OF ENERGY AND MINES FERNANDEZ
MALDONADO TOOK SWIPES AT WHAT THEY REFERRED TOAS IMPERIALISM.
PRIME MINISTER MERCADO JARRIN SAID, AMONG OTHER THINGS,
THAT QUOTE RECOVERY OF MATIONAL SOVEREIGNTY IS BY ITS NATURE
ANTI-IMPERIALISTIC.....INCREASING INTERDEPENDENCE OF IN-
DUSTRIALIZED COUNTRIES PRESUPPOSES AN ANTIMONOPOLISTIC POLICY
(ON PART OF OLADE MEMBERS) OPPOSED TO ANY KIND OF FOREIGN
DOMINATION UNQUOTE. IN ADDITIONA THE
PRIME MINISTER ADDED QUOTE FOREIGN DOMINATION IS NOT

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ONLY ECONOMIC AND TECHNOLOGICAL IN CHARACTER, BUT
IS AS WELL POLITICAL AND CULTURAL AND IS TIED TO
INTERNATIONAL POWER CENTERS WHICH ATTEMPT TO BRING
PRESSURE UPON THRID WORLD UNQUOTE. FERNANDEZ MALDONADO
FOR HIS PART STATED THAT THE LATINS MUST FIND THE
FINANCING MONEY AND RESOURCES WHICH ARE FREE FROM
THE CONTAMINATION OF FOREIGN INTERESTS. HE WENT ON
TO CASTIGATE QUOTE ECONOMIES OF MASS CONSUMPTION AND THE POWRS
WHICH SUSTAIN THEM AND WHICH...DEVOUR A WEALTH WHICH
DOES NOT BELONG TO THEM UNQUOTE.

7. COMMENT: ALTHOUGH VENEZUELAN AMBASSADOR HAS IN-
FORMED US HE CHIDED BY HIS FELLOW LATINS BECAUSE OF
HIS COUNTRY'S RECENT 56 PERCENT PRICE INCREASES
MENTIONED IN CARACAS 9205, OTHER DIPLOMATIC SOURCES
INFORM US THAT FEW IF ANY POLICY DIFFERENCES DEVELOPED
DURING COURSE OF MEETING. VENEZUELAN EMBASSY GENERALLY
PLEASED WITH RESULTS, AND ECUADOREAN EMBASSY ELATED
OVER CHOICE OF QUITO AS SECRETARIAT SITE. WE UNDERSTAND
PERUVIANS INITIALLY HAD LEAD FOR LIMA AS HEADQUARTERS,
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BUT ECUADOREANS GRADUALLY OVERCAME PREFERENCE FOR
LIMA, PRINCIPALLY DUE TO FACT THAT ECUADOR PRESENTLY
NET EXPORTER OF OIL AND FACT THAT LIMA ALREADY HAS
BEEN LOCATION OF NUMEROUS CONTINENT-WIDE MEETINGS.
ALLEGEDLY PERU, IN EXCHANGE, WILL NOMINATE FIRST EXECUTIVE SECRETARY
GENERAL. KNOWLEDGEABLE PETROPERU SOURCE, STATES THAT PERU
AS MATTER OF COURTESY NOMINATED QUITO FOR HEADQUARTERS,
ONLY TO HAVE IDEA CATCH ON. IN ANY CASE, THIS COURCE
SAID IT JUST AS WELL THAT LIMA IS NOT SITE, SINCE
PETROPERU WOULD BE REQUIRED TO BACKSTOP SECRETARIAT
OPERATION. TIS VIEW OBVIOUSLY BE BASED PARTIALLY
ON SOUR GRAPES. SAME SOURCE SAID DISCUSSIONS MARRED SOMEHHAT
BY OBSTREPEROUS PARLIAMENTARY TACTICS ON ENGLISH-SPEEKING
CARIBBEAN MEMBERS. EMBASSY POUCHING TEXT OF AGREEMENT.
BELCHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, AGREEMENTS, MINISTERIAL MEETINGS, DEVELOPMENT BANKS, PRICES, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LIMA08128
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731150/aaaabkld.tel
Line Count: 264
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: CARACAS 9205, 9136
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 16 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Jan-2002 by thigpegh>; APPROVED <06 MAR 2002 by collinp0>
Review Markings:

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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LATIN AMERICAN ENERGY MINSISTERS MEETING LIMA
TAGS: ENRG, XM, OLADE, LATIN AMERICAN ENERGY ORG, ORG LATINOAMERICANA DE ENERGIA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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